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Rice

ASCS Commodity Fact Sheet

RICE

Summary of 1983 Support Program and Related Information

United States
Department of
Agriculture

Agricultural
Stabilization and
Conservation
Service

April 1983

Legislative Authority:

The Agricultural Act of 1949, as amended by the Agriculture and Food Act of 1981 and the Omnibus Budget Reconciliation Act of 1982, provides authority for the 1983-crop rice program. Provisions of the Agricultural Adjustment Act of 1938, as amended, also apply.

Acreage Reduction and Paid Land Diversion Program:

A 15 percent acreage reduction program combined with a 5 percent paid land diversion program has been announced for the 1983 crop. To be eligible for program loans or payments, farmers must reduce their rice acreage base by at least 20 percent. No direct payment will be made for the 15 percent acreage reduction. Land diversion payments will be computed based on the 5 percent of base times the established farm yield times \$2.70 per hundredweight.

Payment- In-Kind (PIK) Program:

Producers participating in the combined acreage reduction and paid land diversion program may divert an additional 10 to 30 percent of their rice acreage base for which payment-in-kind will be made. A farm PIK is computed as the number of acres diverted under PIK times the farm yield times 80 percent. Producers with outstanding Commodity Credit Corporation (CCC) loans will receive their own rice for their PIK. Producers with no outstanding CCC loans or with loans of a quantity less than their PIK will receive their entire or partial PIK from CCC inventory. The following standards and availability dates will apply: Arkansas, September 1, 1983, #2 long grain, 56/68; California, September 15, 1983, #1 medium grain, 48/69; Louisiana, August 1, 1983, #2 long grain, 56/59 or #2 long grain, 54/67; Mississippi, September 1, 1983, #2 long grain, 54/67; Missouri, September 15, 1983, #2 long grain, 56/68; and Texas, August 1, 1983, #1 long grain, 57/70. Separate dates and standards are established for minor production states.

Conservation Acreage:

Producers participating in the acreage reduction program are required to place into conserving use acreage equal to 18.75 percent of their planted acreage. Land diverted from production under the paid and PIK diversion programs must also be placed into conserving use. Conserving use acreage can be grazed except during the six principal growing months as determined by the local ASC committee. Mechanical harvesting of any crop will be prohibited. Winter wheat producers who had planted their 1983 crop must also limit their acreage for harvest; however, they will be permitted to graze the acreage or to cut the acreage for hay.

Acreage Base:	Only producers with an established rice acreage base are eligible to participate in the 1983-crop rice program. The 1983-crop rice acreage base is the same as the 1982-crop rice acreage base. The base may be adjusted to reflect established crop rotation practices and for the control of red rice. However, the bases on farms where acreage was transferred from the farm for 1982-crop rice may be increased. On such farms, the 1983 base shall be the lower of the average of 1981 and 1982 rice plantings on the farm or the farm's 1982 rice base before the transfer.
Established Yield:	The 1983 yield established for a farm will be an average of the actual harvested yield per acre for the 1980, 1981, and 1982 crops of rice with adjustments for low yields caused by natural disasters.
Loans and Purchases:	<p>The national average loan and purchase rate for 1983-crop rice is \$8.14 per hundredweight, unchanged from the 1982-crop rate. Loan rates on individual lots of rice are based on the type, milling yield, and quality of the rice and may be further adjusted by a location differential. The loan rate adjusted for these factors is the rate at which CCC provides loan or purchases. Loans are available through ASC county offices from harvest time through March 31, 1984. Loans mature on demand but not later than April 30, 1984.</p> <p>Participating producers may obtain loans on a quantity of rice equal to their eligible production. PIK rice is not considered eligible production. However, loan eligibility may be applied to PIK rice of the same type as produced instead of applying loan eligibility to actual production.</p>
Target Price and Deficiency Payments:	The 1983 established "target" price, as provided by law, is \$11.40 per hundredweight. Deficiency payments will be made if the national average market price received by farmers during the first 5 months of the marketing year (August through December) is less than the target price. At the time producers sign up for the program, they may request an advance of 50 percent of the diversion payment and 50 percent of the projected deficiency payment. The projected deficiency payment rate is \$3.26 per hundredweight. Producers accepting advance payments who do not comply with program provisions must refund the advances with interest calculated at five percent above the rate in effect for commodity loans on the date of the advance.
Disaster Payments:	Producers are ineligible for disaster payments if Federal Crop Insurance is available to them. Payments may be made, however, if Federal insurance is insufficient to alleviate an economic emergency. Prevented planting payments are calculated at 33-1/3 percent of the target price (\$3.80/cwt.) on 75 percent of the farm yield on the smaller of (1) the acreage intended to be planted in 1983, or (2) 1982 planted acreage. For low yields, producers will receive \$3.80/cwt. on any loss of production below 75 percent of the farm program yield times the planted acreage.

Payment
Limitations:

The total deficiency and paid land diversion payment a person can receive under a combination of the rice, wheat, feed grain, and upland cotton programs is \$50,000 for the 1983 crop. The total amount of disaster payments a person can receive under the same combined programs is \$100,000 for the 1983 crop. Payments made under the loan and purchase program are excluded from these limitations.

Cross and
Offsetting
Compliance:

Neither cross compliance nor offsetting compliance will apply to the 1983 rice program.

RICE

Crop Year	Harvested Acres (1,000 acres)	Production (million cwt.)	National Average Support Price (per cwt.)	Average Price to Farmers (per cwt.)	Farm Value of Production (million \$)	Government Payments (million \$)
1955	1,826	55.9	\$ 4.66	\$ 4.81	\$ 268.5	
1956	1,569	49.5	4.57	4.86	240.3	\$ 1.3 Acr. Res.
1957	1,340	42.9	4.72	5.11	219.5	14.9 Soil Bank
1958	1,415	44.8	4.42	4.68	209.4	
1959	1,586	53.6	4.38	4.59	246.3	
1960	1,595	54.6	4.48	4.55	248.4	
1961	1,589	54.2	4.71	5.14	278.6	
1962	1,773	66.0	4.71	5.04	332.6	
1963	1,771	70.3	4.71	5.01	352.2	
1964	1,786	73.2	4.71	4.90	358.6	
1965	1,793	76.3	4.50	4.93	376.2	
1966	1,967	85.0	4.50	4.95	421.0	
1967	1,970	89.4	4.55	4.97	444.0	
1968	2,353	104.1	4.60	5.00	520.5	
1969	2,128	90.9	4.72	4.95	447.2	
1970	1,815	83.8	4.86	5.17	433.2	
1971	1,818	85.8	5.07	5.34	458.2	
1972	1,818	85.4	5.27	6.73	574.9	
1973	2,170	92.8	6.07	13.80	1,280.0	
1974	2,536	112.4	7.54	11.20	1,261.4	
1975	2,818	128.4	8.52	8.35	1,072.1	
1976	2,480	115.6	8.25a-6.19b	7.02	811.4	128.3 Deficiency
1977	2,249	99.2	8.25a-6.19b	9.49	941.2	
1978	2,970	133.2	8.53a-6.40b	8.16	1,087.0	58.1 Deficiency
1979	2,869	131.9	9.05a-6.79b	10.50	1,384.0	
1980	3,312	146.2	9.49a-7.12b	12.80	1,873.0	
1981	3,792	182.7	10.68a-8.01b	9.05	1,654.0	21.9 Deficiency
1982	3,252	154.2	10.85a-8.14b	7.50-8.25c	1,234.0	265.0 Deficiency
1983			11.40a-8.14b			

- a. Established target price.
- b. Loan rate.
- c. Preliminary season average price.